

CHAPTER NO. 848

HOUSE BILL NO. 2996

By Representatives McDonald, Newton, Bone, Fowlkes, Casada

Substituted for: Senate Bill No. 3112

By Senator Graves

AN ACT to amend Tennessee Code Annotated, Title 7; Title 64 and Title 69, relative to rural water development.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF TENNESSEE:

SECTION 1. Tennessee Code Annotated, Section 7-82-307, is amended by adding the following language as a new, appropriately designated subsection:

( ) (1) Notwithstanding any provision of law to the contrary, any water utility district having not less than three thousand (3,000) taps and approximately three-hundred fifty (350) miles of water lines in any county having a population of not less than one hundred thirty thousand four hundred (130,400) nor more than one hundred thirty thousand five hundred (130,500), and in any county having a population of not less than seventy-two hundred (7,200) nor more than seventy-three hundred (7,300) according to the 2000 federal census or any subsequent federal census, shall be governed by a five-member board. The terms of office of one new commissioner created pursuant to this act shall initially be for two (2) years and the term of the second new commissioner shall be for four (4) years. The terms of office for commissioners serving on the effective date of this act shall be staggered as vacancies occur in such a manner that one (1) member shall initially be elected to a term of one (1) year; one (1) for a term of two (2) years; and one (1) for a term of three (3) years. Thereafter all terms of office shall be four (4) years.

(2) A vacancy occurring on the board of commissioners of any such utility district after the effective date of this act shall be filled by vote of the customers of the utility district at the first regular meeting of the district's board of commissioners that occurs more than forty (40) days after the vacancy occurs. The board of commissioners shall schedule such meeting at seven o'clock p.m. (7:00 p.m.). No person shall serve on a board unless the person is a customer of the utility district. As used in this subsection, "customer" means a person who is periodically billed for utility service rendered by the district and who pays money for such service.

(3) A vacancy on the board due to the expiration of a term, or due to an increase in the number of members on the board, or due to any other reason, shall be filled as follows:

(A) For each vacancy, the incumbent commissioners shall select three (3) nominees, in accordance with any residency requirements that may apply to the office vacated, or to be vacated, and shall prepare a ballot for each vacancy. Other nominees may be placed on the ballot by submitting, twenty (20) days prior to the election, a nominating petition signed by not less than ten (10) customers who are residents of the county within which the vacancy occurs. Write-in votes

for unlisted candidates shall also be considered. A vacancy shall be filled by a plurality of the votes cast for each seat.

(B) At least thirty-five (35) days prior to the election, the incumbent commissioners of the utility district shall mail written notice of such meeting and election to all customers and shall list any vacancies to be filled. If the commissioners fail to set the date for the meeting, fail to mail notice of the meeting, fail to hold the meeting, or fail to hold the election, the county executive shall cause such things to be done upon petition of any twenty (20) customers of the district.

## SECTION 2.

(a) The Tennessee Advisory Commission on Intergovernmental Relations ("TACIR") is directed to perform a study of the size, composition and selection of boards of commissioners of utility districts. TACIR shall also study the current provisions of Tennessee Code Annotated, Section 7-82-307 and consider whether a new mechanism should be created which would permit changes concerning such boards to be handled locally rather than employing the present legislative method that requires amending the general bill by introducing general bills of local application directly affecting only one utility district. As part of its study, TACIR should consider whether alternative legislative methods should be developed and placed in the general law as options for local action, as well as incorporating a petition method to allow the subscribers to trigger an election for a change to the board. This study shall be conducted from TACIR's existing resources.

(b) All appropriate state departments and agencies shall provide assistance to TACIR. Groups representing utility districts shall be asked to provide information, analyses, and recommendations to TACIR.

(c) TACIR shall timely report its findings and recommendations, including any proposed legislation or interim reports, to the One Hundred Third General Assembly upon concluding their study.

SECTION 3. This act shall take effect upon becoming a law, the public welfare requiring

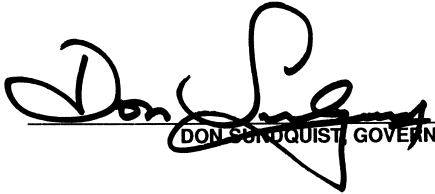
it.

PASSED: June 26, 2002

  
JIMMY NAIFEH, SPEAKER  
HOUSE OF REPRESENTATIVES

  
JOHN S. WILDER  
SPEAKER OF THE SENATE

APPROVED this 3<sup>rd</sup> day of July 2002

  
DON SUNDQUIST, GOVERNOR